

Charles McGuigan

Chief Deputy Attorney General

FOR IMMEDIATE RELEASE: Thursday, February 9, 2012

CONTACT: Sara Rabern, (605) 773-3215

South Dakota Attorney General Marty Jackley and 49 State Attorneys General Reach \$25 Billion Agreement with Mortgage Servicers Over Mortgage Service Concerns

PIERRE, S.D. – Attorney General Marty Jackley announced today that South Dakota, along with 49 other state Attorneys General, reached a \$25 billion federal-state agreement with the nation's five largest mortgage servicers over nationwide mortgage servicing practices.

The proposed agreement provides an estimate \$7,923,594.00 in direct relief to South Dakota homeowners and addresses future mortgage loan servicing practices.

"This settlement provides immediate relief for South Dakota homeowners harmed by concerning mortgage practices, and required corrective action to better ensure fair practices," said Jackley. "The structured settlement allows homeowners not satisfied with their relief to further pursue individual or class action relief, and does not foreclose any potential criminal action by the Attorneys General."

The state's estimated share of the settlement is \$7,923,594.00.

- South Dakota borrowers will receive an estimated \$1,148,525 in benefits from loan term modifications and other direct relief.
- South Dakota borrowers who lost their home to foreclosure from January 1, 2008 through December 31, 2011 and suffered servicing abuse would qualify for approximately \$2,000 in cash payments to borrowers.
- The value of refinanced loans to South Dakota underwater borrowers would be an estimated \$2,490,214.
- The state will receive a direct payment of \$3,019,434.00.

The unprecedented joint state-federal settlement is the result of a massive civil law enforcement investigation and initiative that includes state attorneys general and state banking regulators across the country, and nearly a dozen federal agencies. The settlement holds banks accountable for past mortgage servicing and foreclosure fraud and abuses and provides relief to homeowners. With the backing of a federal court order and the oversight of an independent monitor, the settlement stops future fraud and abuse.

Under the agreement, the five servicers have agreed to a \$25 billion penalty under a joint state-national settlement structure.

Nationally:

- Servicers commit a minimum of \$17 billion directly to borrowers through a series of national homeowner relief effort options, including principal reduction. Given how the settlement is structured, servicers will actually provide up to an estimated \$32 billion in direct homeowner relief.
- Servicers commit \$3 billion to a mortgage refinancing program for borrowers who are current, but owe more than their home is currently worth.
- Servicers pay \$5 billion to the states and federal government (\$4.25 billion to the states and \$750 million to the federal government). The state payments include funding for payments to borrowers for mortgage servicing abuse.
- Homeowners receive comprehensive new protections from new mortgage loan servicing and foreclosure standards.
- An independent monitor will ensure mortgage servicer compliance.
- Government can pursue civil claims outside of the agreement, any criminal case; borrowers and investors can pursue individual, institutional or class action cases regardless of agreement.

The settlement does not grant any immunity from criminal offenses and will not affect criminal prosecutions. The agreement does not prevent homeowners or investors from pursuing individual, institutional or class action civil cases against the five servicers. The pact also enables state attorneys general and federal agencies to investigate and pursue other aspects of the mortgage crisis, including securities cases.

Scope of Settlement

This enforcement action targets one segment of the nation's vast and complex mortgage market, though the new servicing standards will apply to all mortgage loans serviced by the settling banks.

The final agreement, through a consent judgment, will be filed later in U.S. District Court in Washington, D.C., and will have the authority of a court order.

Because of the complexity of the mortgage market and this agreement, which will span a three year period, borrowers in some cases may be contacted directly by one of the five included mortgage servicers regarding loan modification offers, may be contacted by a settlement administrator or their state attorney general, or may need to contact their mortgage servicer to obtain more information about specific programs and whether their loan qualifies. More information will be made available as the settlement programs are implemented.

For more information on the proposed agreement: www.NationalMortgageSettlement.com www.HUD.gov www.DOJ.gov

Bank of America: 1-877-488-7814

Citi: 1-866-272-4749 Chase: 1-866-372-6901 GMAC: 1-800-766-4622 Wells Fargo: 1-800-288-3212

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